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FOREIGN AGRICULTURE

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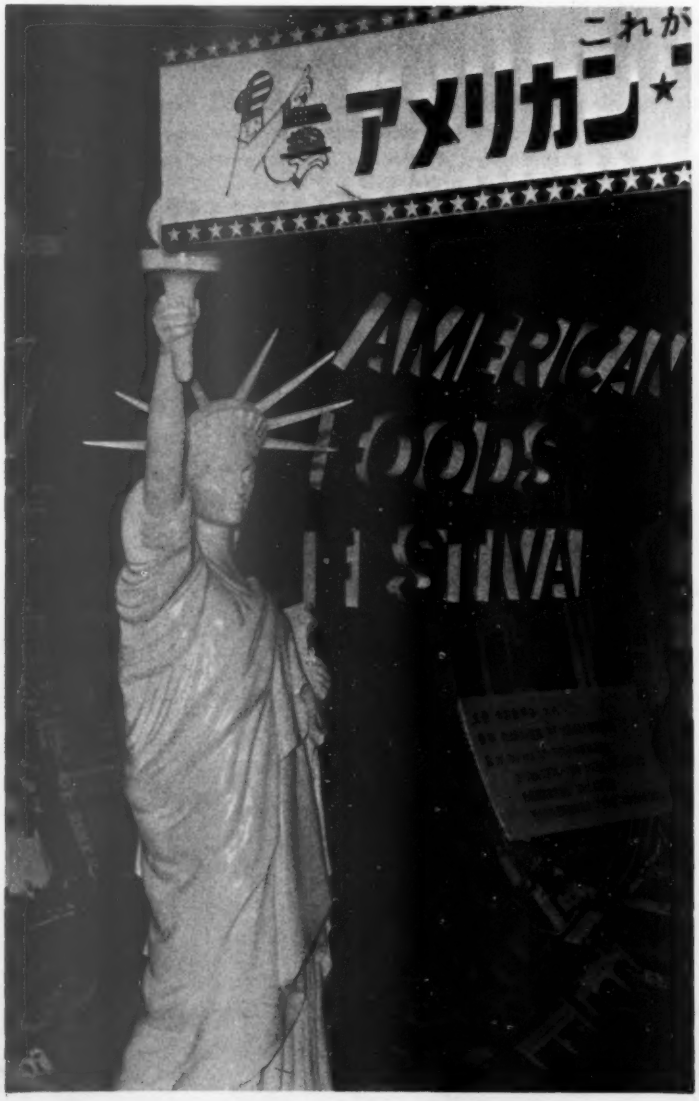
AMERICAN FOODS FESTIVAL IN JAPAN



Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

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This week's cover:

A Statue of Liberty model and New York skyline photo set the theme in the entrance of USDA's American Festival in Japan. Story beginning this page describes the trade panorama.

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Sampling was the order of the day. Above, two housewives about to try some Wisconsin cheese fondue—one of the most popular specialties. And below, two youngsters spoon up rice.

American Festival Captivates Japan

No country has ever received such concentrated attention from the U.S. agricultural trade as Japan, scene this month of the largest U.S. agricultural promotion in the Far East, the American Festival. Last week, this giant exhibit ended its 17-day run, and many of the U.S. traders headed for home. But its impact continues, in the form of additional farm-product sales and further strengthening of our already strong trade ties with Japan.

Staged from April 5 to 21 at Tokyo's Harumi Wharf, the American Festival was our way of commemorating Japan's Meiji Centennial and of saying "we can and will supply practically any agricultural product you need." The hundred thousand plus of Japanese tradespeople and consumers who visited the exhibit did, indeed, like the products and by the end of the first week over $1 million in new business had been done.

On hand to open the Festival was Secretary of Agriculture Orville L. Freeman, along with governors of 12 States and Territories that do business with Japan and other members of the Far East Agricultural Trade Mission.

"Japan is our biggest customer for food and agricultural products," Secretary Freeman said at the exhibit. "I am very hopeful that this extra push will help put us over the billion dollar mark in the near future."

The exhibit itself was a giant undertaking put on by hundreds of U.S. agricultural leaders and organizations in cooperation with USDA. It included 17 commodity booths, 12 State exhibits, 61 commercial stands, and a self-service market with over 2,000 grocery store products. Adding a bright spot to all this were ceremonial queens and princesses —like the Maid of Cotton (Susan Holder) and Miss Sunkist (Chris Bishop); fashion shows four times daily; a musical revue featuring music of the different regions of our country; and an American Panorama using some of the most successful motion picture techniques pioneered at Expo '67.

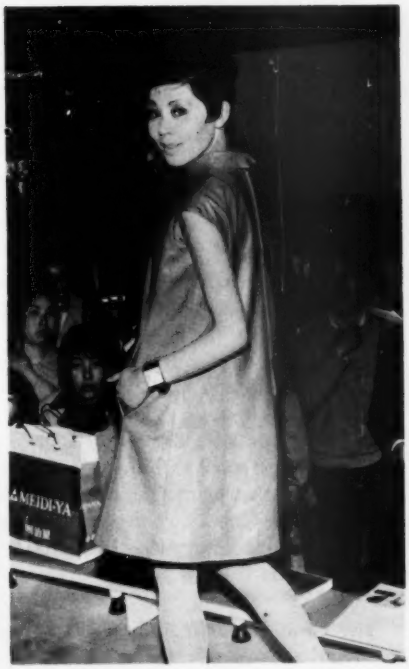
Success stories at the American Festival were numerous. Among them:

•A sale of more than $500,000 worth of North Carolina soybeans, plus completion of arrangements for the sale of $250,000 of the State's products during the next 12 months.

• Strong interest in U.S. meats. In fact, one group of Japanese importers now in the States changed its itinerary so it could visit beef packing firms in Colorado. Also, U.S. officials have begun special meetings with 14 meat importing firms and the All-Japan Meat Council to discuss possibilities of increasing U.S. meat sales to Japan.

• A large sale of Iowa popcorn, as well as negotiations for the sale of Maryland feathermeal and peanut oil.

Backing up the fair were promotions in eight stores and supermarkets, which estimate sales of U.S. foods during the promotion at nearly $1 million.



Above, Japanese model in leather dress at the Tanners Council fashion show. Elsewhere at the fair models wore fashions of American cotton and paper. Below, the livestock exhibit, with U.S.-bred cattle brought in from Hokkaido, Japan's chief farming area.

Right, Secretary of Agriculture and Mrs. Freeman try a hotdog sold at one of the outdoor stands. Other American delegates are with them. Below, Japanese television station NHK's roving reporter tapes an interview with Cotton Council International Carl Campbell.

The increase in feedgrain threshold prices for 1968-69 will result in an import levy on corn of about 96 cents per bushel and on grain sorghum of about 86 cents per bushel.

EEC Feedgrain Levies Increase 13 Percent

By Robert Bratland
Grain and Feed Division, FAS

The European Economic Community's 1968-69 official threshold prices for cereal grains, announced by the EEC Council of Ministers on April 11, will result in levy increases of about 13 percent on feedgrains imported into the Community if world prices remain at 1967-68 levels. On an ad valorem equivalent basis, the levies on corn and grain sorghum will rise approximately 70 percent. With these increases, the EEC is expected to realize approximately $800 million in total revenue from all grain import levies during the 1968-69 marketing year.

A large portion of EEC grain imports comes from the United States. During the 1966-67 marketing year, U.S. exports of corn, barley, and grain sorghum to the Community amounted to some 6.4 million tons valued at roughly $358 million, f.o.b. U.S. ports. U.S. exports to the EEC in 1967-68 are expected to be somewhat higher.

Three prices set

The EEC system provides that three prices—target, intervention, and threshold—be set for each grain each marketing year. The target price functions as a general guideline for the producer by setting the level which the wholesale market price is permitted to reach in the Community's principal deficit zone, Duisburg, West Germany. The intervention price is equivalent to a price guaranty, which the producer may receive from the intervention agency in the event the market price falls below the intervention price applicable to the location of the grain in question. The threshold prices, in conjunction with world prices, provide the basis for setting the level of import levies on grain imported into the EEC.

The basic target and intervention prices are supposed to be set prior to August 1 and take effect during the following marketing year, allowing the farmer to make production plans in accordance with them. For the 1968-69 marketing year, however, they were not set until last October (see *Foreign Agriculture*, Jan. 15, 1968). The new threshold prices are not set until the following spring.

Wheat threshold prices unchanged

Grain prices for the 1968-69 marketing year, with 1967-68 comparisons, are given in the accompanying table. For soft wheat and durum the threshold prices for 1968-69 are unchanged. Looking at other cereal grains, the threshold price is up 4.9 percent for corn, 3.6 percent for barley, 4.1 percent for rye, and 4.2 percent for grain sorghum. The 1968-69 threshold prices reflect a corn-grain sorghum price differential of $3.69 per metric ton, corn being higher. This compares with a 1967-68 corn-sorghum differential of $2.94.

The threshold price increases for corn, barley, and rye are the same as the target price increases. This implies that the allowance for freight and handling charges between Duisburg and Rotterdam is to be left unchanged since the threshold price represents Duisburg plus freight and handling costs from Rotterdam.

The basic intervention prices for barley and rye were increased by nearly the same amount as their respective target and threshold prices. Since very little grain sorghum is produced within the Community, basic target and intervention prices are not established for this commodity. For corn, a basic intervention price is not established so long as EEC corn production is less than 45 percent of its total needs.

Surplus production area intervention prices are established each spring for wheat, barley, rye, and corn but are not yet available for the 1968-69 marketing year.

BASIC EEC GRAIN PRICES [1]

Item	1967-68		1968-69	
	Dol. per metric ton	*Dol. per bu.*	*Dol. per metric ton*	*Dol. per bu.*
Target price (Duisberg):				
Soft wheat	106.25	2.89	106.25	2.89
Durum	125.00	3.40	125.00	[2] 3.40
Corn	90.63	2.30	94.94	2.41
Barley	91.25	1.99	94.44	2.06
Rye	93.75	2.38	97.50	2.48
Intervention prices:				
Basic EEC level (Duisberg):				
Soft Wheat	98.75	2.69	98.75	2.69
Durum	117.50	3.20	117.50	3.20
Barley	85.00	1.85	87.97	1.92
Rye	87.50	2.22	91.00	2.31
Surplus producing area levels:				
Soft wheat	91.86	2.50	....	....
Durum	114.76	3.12	....	....
Barley	76.85	1.67	....	....
Rye	79.61	2.02	....	....
Corn	77.00	1.96	....	....
Threshold prices (Rotterdam):				
Corn	88.38	2.24	92.69	2.35
Barley	89.00	1.94	92.19	2.01
Soft wheat	104.38	2.84	104.38	2.84
Rye	91.88	2.33	95.63	2.43
Grain sorghum	85.44	2.17	89.00	2.26
Durum	123.13	3.35	123.13	3.35
Import levies (at all EEC entry points):				
Corn	33.33	.85	37.64	.96
Barley	22.05	.48	25.24	.55
Soft wheat	43.53	1.18	43.53	1.18
Rye	33.63	.85	37.38	.95
Grain sorghum	30.19	.77	33.75	.86
Durum	41.48	1.13	41.48	1.13

[1] As of July 1 for 1967-68 and Aug. 1 for 1968-69. Levies for 1968-69 assume world prices unchanged from 1967-68; all basic EEC prices (i.e., target, intervention, and threshold) rise during the year by monthly storage and credit increments as follows: corn, barley, and sorghum by $0.75 monthly beginning October and rye, durum, and other wheat by $0.85, $1.05, and $0.95, respectively beginning September. [2] The guaranteed minimum price to the producer will be $145.00 per metric ton.

Status of West Germany's Agriculture

By PAUL G. MINNEMAN
U.S. Agricultural Attaché, Bonn

West German per capita net farm income increased 4 percent in 1966-67—despite considerable declines in producer prices and depressed consumer demand. Main reasons for the increase were larger marketings and employment of less labor. However, there was no significant change in the traditional lag of farm labor income behind wages of industry workers.

A further strong increase in agricultural output and another 4-percent gain in per capita net farm income are forecast for the current farm year ending next June 30.

These estimates concerning German agriculture are contained in this year's Green Report, an annual summary of the agricultural situation submitted to Parliament along with proposals for farm assistance.

The proposed 1968 budget for agriculture calls for total expenditures of U.S. $1.35 billion, compared with about $1.2 billion in 1967. The increases result primarily from EEC commitments.

In presenting the budget to the Bundestag, Agriculture Minister Hermann Hoecherl tried to make clear that agricultural income can keep pace with income development in other sectors of the economy only if the number of farms and number of persons employed in agriculture are further reduced. He emphasized that the farm income situation cannot be further improved by increasing import restrictions, real farm prices, export subsidies, or transfer payments.

Minister Hoecherl pointed out the need for farm reorganization and industrial production methods in agriculture. He recommended that young people now in farming carefully consider their income chances in agriculture and the possibility of leasing or selling their farms.

Record output

According to the 1968 Green Report, total agricultural production in West Germany reached a new high in 1966-67 of 45.2 million metric tons (grain equivalent)—9 percent more than in 1965-66. The self-sufficiency of German production in 1966-67 is shown in the table below, along with a comparison for the preceding year and for 1950-51.

WEST GERMANY: DOMESTIC FOOD PRODUCTION AS SHARE OF TOTAL CONSUMPTION

Item	Fiscal Year— 1951	1966	1967
	Percent	*Percent*	*Percent*
Wheat, for food and feed	51	73	71
Rye, for food and feed	84	98	94
Coarse grains, for food and feed	78	57	63
Sugar	66	93	91
Fruit, fresh deciduous	92	61	67
Beef	84	76	86
Pork	92	93	94
Poultry	88	42	48
Milk, fresh	100	100	100
Cheese	77	54	53
Eggs and products	70	82	86
Butter	90	96	97
Slaughter fats	63	92	92
Vegetable fats and oils	6	6	5
All domestic production including that produced from imported feed	76	75	77
All domestic production except that produced from imported feed	72	59	63

Cash receipts from farm marketings amounted to about $6.82 billion in 1966-67, up from $6.56 billion the year before. About 80 percent of the 1966-67 receipts were from livestock products, 20 percent from crops.

The upward trend of farm prices since 1960-61 was reversed in 1966-67—a result of large supplies and stagnating demand. Prices of agricultural input items remained almost unchanged. As shown in the table below, the farmer's share of the retail food dollar continued to decline for all major products except milk and sugar.

WEST GERMANY: FARMER'S SHARE OF RETAIL FOOD DOLLAR

Product	Fiscal year— 1951	1966	1967
Plant products:	*Percent*	*Percent*	*Percent*
Bread grains and products	46	26	25
Potatoes for food	81	71	66
Sugar beets and sugar	42	43	43
Vegetables	37	32	30
Fruits	67	54	50
All plant products	53	39	38
Animal products:			
Slaughter livestock, meat, and products	69	54	52
Milk and milk products	66	62	63
Eggs	81	79	77
All animal products	68	58	57
All products	64	53	52

During the year the total agricultural labor force declined by 2.7 percent. Very high capital investment has offset the reduction in the labor force. However, after record expenditure in the preceding 2 years, gross investment was reduced 15 percent in 1966-67. The decrease was particularly strong in tractors and other new machinery.

The 1967 intermediate census recorded 1.4 million farmers, 1.6 percent fewer than in the previous year. All of the decline was in farmers cultivating less than 20 hectares (50 acres).

Of the 1.4 million farms recorded in 1967, 35 percent provided all of the family's income; these commercial farms took up 72 percent of the land in farms. On 22 percent of the farms, farmers were dependent on additional off-farm income; these farms took up 16 percent of the farmland. The remaining 43 percent of the farms on 12 percent of the land were part-time and residential farms that provided only supplemental income.

Six changes in proposed budget

• The government's proposed agricultural budget for calendar year 1968 included the following major changes.

• Provision for distribution of EEC compensation funds. In order to ease the problems resulting from the July 1, 1968,

grain price unification, German farmers will receive from Community funds about $140 million in 1967-68 as compensation for their acceptance of a lower grain price. About $109.4 million of these funds are to be used in direct grain price compensation according to area; $5.6 million will go for additional compensation on marketed brewing barley; and $25 million will be used to assist projects meeting the requirements of financing from the EEC fund.

• Increased restitution expenditures. An appropriation of about $112.6 million, compared with $39.4 million in 1967, was proposed to defray expenditures for restitution (subsidies) in the exportation of agricultural products. The increase is needed because of a change in the grain export restitution procedure in July 1967 and higher restitution requirements for butter exports.

• Increased appropriation for gas oil subsidies. Effective May 1, 1968, farmers will be paid gas oil subsidies at the station; previously there has been some delay in these payments. The immediate payment requires an increase in appropriations from $61.1 million to $136.3 million.

• Increased appropriations for direct price support of milk, skim milk, casein, and cheese. In 1967, the appropriation to cover these payments amounted to $121.2 million; the proposed appropriation for 1968 was nearly $127 million.

• Reduced funds for agricultural reorganization. In 1967, funds for this purpose totaled $0.4 billion to about $0.32 billion. By the end of 1967, the reorganization appropriations had been supplemented by contributions from the government's general economic antirecession program. The Ministry of Agriculture expects that major agricultural reorganization programs can be continued to the same extent in 1968. About half of the agricultural land is still in need of consolidation.

• Smaller allocation for marketing improvement. In 1968 agricultural budget earmarks about US$52 million for marketing programs—primarily for the promotion of vertical integration. This is slightly lower than the 1967 appropriation; however, enactment of a separate bill aimed at the improvement of marketing channels is expected in the near future.

Guatemala Grain Storage To Smooth Prices

By OSCAR LAFUENTE
Office of the U.S. Agricultural Attaché
Guatemala City

In Guatemala the consumer price of corn—the major staple of diet—fluctuates between 2 and 5½ cents per pound from one season to the next because of oversupply immediately after harvest and scarcity later in the crop year. Prices of other grains also have wide fluctuations. The need for ample storage is evident, and a 37,500-metric-ton expansion of Guatemala's facilities is planned for the next 5 years.

Guatemala's present storage facilities have a capacity of 89,400 metric tons. Guatemala's production of grain in 1967 was: corn, 690,000 metric tons; wheat, 24,000 tons; and grain sorghum, 29,000 tons. Also, 56,000 tons of wheat were imported in fiscal year 1967. In other words, only a small portion of an annual harvest can be stored.

Corn storage key to stabilization

The organization with the largest corn storage facilities is the Institute for Production Development (INFOP), a semi-autonomous government organization. Under its charter law it initiated a grain-price stabilization program in 1950 and built a grain elevator with a capacity of 9,660 tons and flat storage to contain 2,300 tons. These facilities are in Guatemala City. By 1958 INFOP had added five additional flat storage units with a total capacity of 3,450 tons in corn-producing areas. No new storage has been built since; so INFOP now has a corn storage capacity of 15,410 tons.

Basically INFOP's program is to purchase corn at a fair price to the producer, store the grain in either the producing or major consuming areas, and sell it at cost during periods of deficit. INFOP also controls the importation of corn.

The Central American Research Institute for Industry in a comprehensive study of the grain-price stabilization program recommended that to successfully carry out its responsibilities INFOP have storage facilities for at least 50,000 tons of corn. INFOP now plans to enlarge its storage capacity to 51,300 tons and is negotiating for a loan of $4 million from the Inter-American Development Bank.

Other modern grain storage facilities in Guatemala are owned by the feed-manufacturing industry, which has grown considerably during recent years as the poultry industry has prospered. An estimated 7 to 10 percent of the country's total corn production is utilized by the feed industry; domestic grain sorghum is also used. One feed plant, ALIANSA (Alimentos para Animales, S.A.), has just installed a modern grain elevator for corn and sorghum near Guatemala City. Total storage capacity controlled by the feed industry is 20,770 tons.

The storage capacities of the feed plants somewhat soften

On the near right, a storage installation for wheat imported in bulk. The storage is owned by one of the local wheat mills. On the far right, a modern elevator for feedstuffs (corn and sorghum) owned by a feed company near Guatemala City. The elevator has a capacity of 4,300 metric tons. Feed is dispatched from storage by truck.

A balanced animal feed being bagged at a small company. A recent loan allowed this plant to buy new equipment and silos.

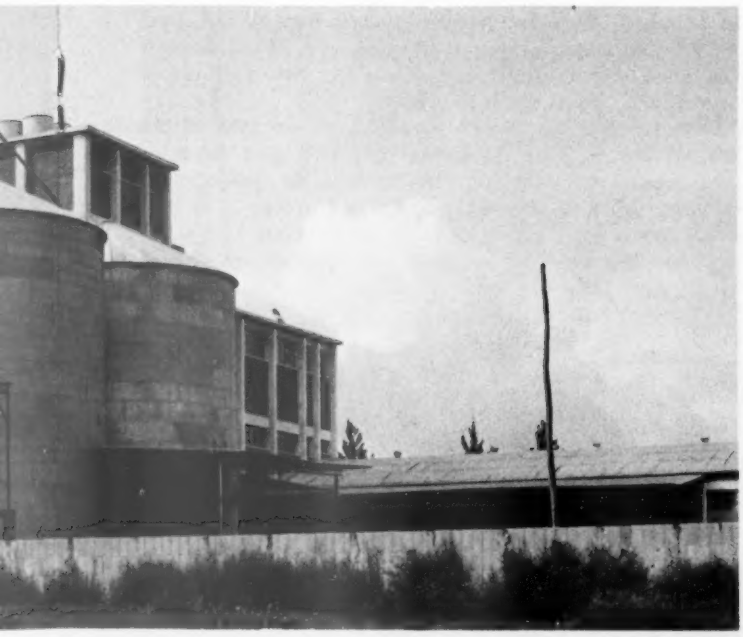
grain-price swings. The feed plants have their storage empty just before harvest, and their harvesttime purchases help support prices.

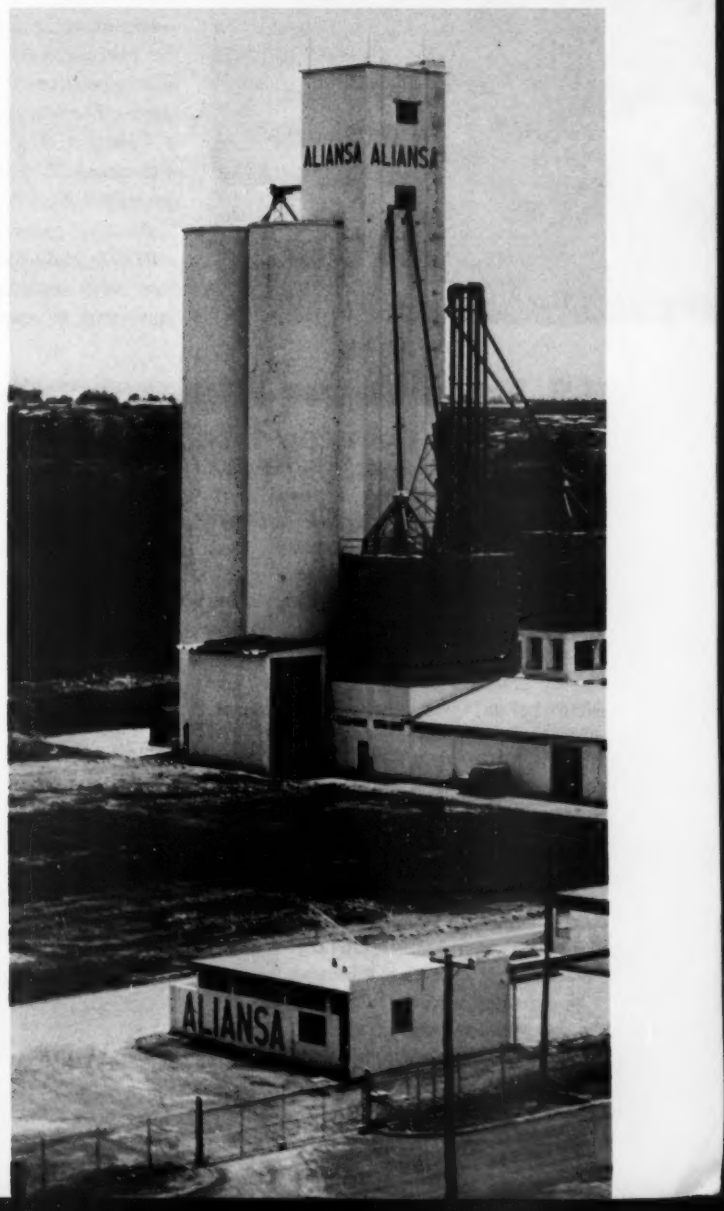
The wheat flour millers also have their own storage facilities, which are considered adequate to their needs. Some wheat mills have constructed modern storage installations. Total storage capacity for both domestic and imported wheat is estimated at 28,260 metric tons. Imports have averaged about 60,000 tons per year and are mainly in bulk. The firm that handles 80 percent of the imported wheat has a storage capacity of 4,400 metric tons and expects to increase its capacity to 9,400 tons.

Small farms caught in harvest glut

Because of the lack of storage facilities on small farms, farmers lose a considerable portion of their crops as well as money as they rush to sell at harvest season at low prices. The new facilities of INFOP will alleviate this problem. Many owners of medium and larger size farms have constructed concrete silos. They can store grain and sell it at advantageous times during the annual grain-price fluctuations. Some of these farmers also utilize their installations for storage of corn used by their farm workers during the year. Other farmers have purchased imported metal silos; total metal silo capacity is estimated at 14,000 metric tons. Total grain storage capacity on farms, both silos and flat, is probably about 25,000 tons.

With the projected expansion of grain storage facilities by INFOP and probable increases in storage capacity by farms and industries. Guatemala could reach a satisfactory level of storage capacity in the next 5 years and thus have a more successful grain-price stabilization program.





Britain Is Early Spring Ta

Above right, a Florida grower describes his products to British buyer; above, Arizona lettuce and carrot display; below, "Eliza Doolittle" by the Center.

Fresh Produce Show a Hit in London

More than 500 British representatives attended the American Fresh Fruit and Vegetable Exhibition at the London Trade Center last month. The exhibition —largest of its kind to be sponsored by the Foreign Agricultural Service in England—featured crops from Arizona, California, Florida, and Texas.

Twenty U.S. growers were represented with about 20 different lines of produce, airshipped by TWA, Pan American, and Seaboard Airlines.

British trade reaction to the U.S. produce was enthusiastic, with potential considered extremely favorable for some items not now moving into England in volume. A few large orders for some items were placed, as well as a number of smaller orders for mixed shipments. Sales involved Texas onions and garlic, Florida sweet corn and chinese cabbage, as well as Arizona bibb lettuce and kinnows (exotic Mandarin oranges). Substantial increases in the volume of California strawberries is "imminent."

Of greater significance than immediate sales to most U.S. growers at the show were the good prospects for trade next season. Some of the produce displayed is not now sufficiently available.

U.S. Trade Center Window Spotlights Food

The front window of the U.S. Trade Center in London served as a sidewalk stage for American foods during March. The window faces busy St. James's Street in central London and is used both to promote trade exhibits in progress at the Center and to display commercial and agricultural items exported from the United States to Britain. The window display schedule is run by the U.S. Departments of Agriculture and Commerce.

From February 23 to March 5, the British firm Cradock Manners Ltd. set out a full range of "Fine Foods From the USA," including sauces and toppings, snacks, spices, and condiments.

From March 6-14 the window advertised the FAS-sponsored Fresh Fruit and Vegetable Exhibit inside. At the conclusion of the show, G. Costa & Co. Ltd. installed a 2-week "Selection of Distinctive American Groceries." This firm handles products from 17 U.S. food exporters including cake mixes, canned fruits and vegetables, rice, and sauces and toppings.

British representation for most of the food products displayed is a result of the American companies' participation in past Trade Center exhibits.

by WILLIAM L. SCHOLZ
Assistant U.S. Agricultural Attaché
London

Right, Cradock Manners Ltd. products in their 10-day display; far right, passerby on St. James's Street saw this display window while the American Fresh Fruit and Vegetable Show was on inside.

g Target for U.S. Food Campaigns

Left, U.S. fresh produce exhibit inside Harrods; above, salesgirl proffers a canned pear sample.

Harrods of London Salutes Two-Way Trade

Harrod's Limited, known in Europe as the "World's Foremost Store," staged the largest American product promotion ever held in Britain (February 28-April 13) in cooperation with the U.S. Departments of Agriculture and Commerce.

"The Best of Both Worlds," as Harrods explains it, is a "half-and-half export drive." The promotion showcased American imported products widely popular in England. In the same manner it displayed the more notable British exports such as china, silver, woolens, whiskey, and automobiles. In broadscale advertising it made the point that the store had over-the-counter export sales of about $8.5 million—much of it in American products. It also paid tribute to counterpart retailers in the United States for having helped to promote the sale of British consumer goods.

The 6-week promotion was unique because Harrods is unique. A venerable institution, the 119-year-old store is steeped in tradition built on high quality and service. It is known for its "Hall of Foods," where London's carriage trade buys fresh milk and eggs, fresh meats from marble counters, fresh fruit and vegetables as well as cheese and other delicacies from the world over. Its sales of U.S. items is $250,000 annually.

In cooperation with FAS, Harrods featured American food products. In the "Hall of Foods" are displayed more than a dozen fresh produce items ranging from avocados to radishes in the stalls adorned by gold American eagles. Counter displays of over 100 U.S. specialty food items were shown and sampled.

As part of USDA's promotion activities, the FAS Trade Center arranged for commodity promotion materials, food demonstrators, modern freezer cases for effective display of cakes, pies, avocado dips, and other products.

U.S. Food Demonstrators Teach Gas Board Cooking Class

Another promotion sidelight to the American fresh fruit and vegetable show at the U.S. Trade Center in London last month (see opposite page) brought American rice, lard, and raisins, to the attention of British housewives. Britain's Eastern Gas Board—a nationalized utility—staged a cooking demonstration of American foods for its international cookery class.

Taking part in the "American Hostess Evening" were Miss Carol Ann Philpot, home economist and consumer marketing specialist for the Florida Department of Agriculture—in London for the Trade Center Show—and Mrs. Lesley Scott, home economist and demonstrator for U.S. Rice Council.

Special recipes using American foods suitable to British tastes were demonstrated and handed out to the audience.

From left, Miss Philpot, Mrs. Scott, the home service advisor at Eastern Gas.

Britain Poses Special Problems For U.S. Fresh Produce Exporters

"The United Kingdom is a prime market for U.S.-grown fruits and vegetables," says Dr. Stanley E. Rosenberger, marketing specialist of the University of Florida's Institute of Foods and Agricultural Sciences, "but we've got to work at it a bit harder."

Dr. Rosenberger is one of a team of specialists who participated in the American Fresh Fruit and Vegetable Exhibition in London last month. He lectured daily to visiting British tradespeople on proper handling, storage and merchandising of U.S. produce.

While in London Dr. Rosenberger also gained important insight into the U.K. marketing structure. He studied major city markets, methods of distribution, and pricing, and interviewed principal wholesalers, brokers, importers, and retail store operators. He also inspected air cargo and ocean shipments of American produce arriving in London.

On the basis of firsthand observations, Dr. Rosenberger said, "If U.S. producers and shippers want to expand the market for American merchandise in the United Kingdom they should attempt to understand British retail and wholesale practices and have a look at their own export operations.

"To assume that the English merchants are 'geared up' and ready to handle large quantities of fresh fruit and vegetables from the United States would be a serious error of judgment. [The United Kingdom] is an exceedingly large market and one that is ready for development. However, it will take special care to fit certain American products to specific British market need," Dr. Rosenberger stressed.

Among the most important considerations that sellers of fresh produce from the United States must give to prospective British buyers, according to the marketing specialist, is that England is a mass market in numbers only. It is in no way comparable to the American high-volume, fast-turnover, low-cost distribution system. However, he added, there are definite signs that changes are in progress. Self-service supermarkets and low-cost merchandising concepts are being undertaken on a small scale by a few enterprising individuals and firms.

Distribution, packaging

Selling to small shops with poor facilities will have its effect on U.S. shippers. Dr. Rosenberger observed that almost every overseas shipping container used in America holds much more merchandise than a British retailer could sell in a reasonable amount of time.

Competition is another problem for U.S. fresh fruit and vegetable exporters to tackle. Dr. Rosenberger describes the London market as one which is "catered to" by produce shippers from all over the world. Many exporting countries carefully select each item and pack the merchandise specially for the English trade. Dr. Rosenberger said that some U.S. exporters to Britain apparently have made little effort to insure that merchandise moving into export channels was selected and packaged to endure traveling time and the additional handlings required in overseas shipping. Also, little attention has been paid to labeling for foreign identification.

"It is not uncommon to see American fiberboard containers that have become wet and lost their rigid protective usefulness to the merchandise inside. Wire-bound crates not properly formed and securely tied will collapse. Wet labels or size markings on containers are frequently in such condition that they are not legible," Dr. Rosenberger noted.

Consumer preference

He made these observations on color, size, and texture preferences. British housewives are accustomed to small-sized blanched (white) celery, while Americans prefer long stalks of green celery. Strong promotional efforts are now being conducted in the United Kingdom to convince consumers that American green celery is ripe and ready to be eaten. The green varieties of celery are considered to be of finer texture and superior flavor and quality, according to Dr. Rosenberger.

The marketing specialist also noted differences in preference for squash, onions, carrots, peppers, and tomatoes. The British use Italian squashes when they are only a few days past the flower stage and call them "courgettes." Large thick-skinned types are called "marrow." Leeks—large green onions—are widely used in Great Britain, Dr. Rosenberger reports, but American-type spring onions and Bermuda-type onions have had wide acceptance.

Carrots grown by British farmers are generally short and very large in diameter; higher prices are paid for the long, thin carrots like those grown in the United States. Dr. Rosenberger also discovered that U.K. consumers use bell sweet peppers that are green—as many Americans prefer—but also those fully matured and bright red.

Tomatoes with which the British housewife has had most experience are very small and fully red in color, Dr. Rosenberger noted. They are approximately 1" to 1½" in diameter and are quartered for salads or served whole for steaming, grilling, or roasting. However, these small tomatoes are rather fibrous, he added.

At the London Fresh Fruit and Vegetable Show Dr. Stanley Rosenberger conducted daily lectures on the marketing of fresh produce from the U.S.

CROPS AND MARKETS SHORTS

Record Australian Canned Deciduous Fruit Pack

Australian production of canned deciduous fruit has reached its fourth consecutive record. The 1968 pack is estimated at 10,800,000 cases, basis 24/2½'s. This is 5 percent above the 1966 pack of 10,295,000 cases and 33 percent above the 1962-66 average.

Canned peach production is reported down slightly from the record 1967 pack of 5,038,000 cases. Drought conditions, shortages of irrigation water, and heavy mite infestation in Victoria have caused sizing problems in the 1968 crop fruit. However, most fruit, although small, still met minimum size requirements.

The 1968 canned pear pack is estimated at a record 3,500,000 cases, 25 percent above last season and 19 percent above average. Some sizing problems were also apparent in the pear crop, but ample supplies of fresh pears suitable for canning were available.

Lighter apricot crops in the major producing areas plus a strong demand for dried apricots have cut the 1968 canned pack to 700,000 cases, 34 percent below the 1967 pack of 1,054,000 and 2 percent below average.

The mixed fruit pack is estimated at a record 1,600,000 cases, 14 percent above 1967. Most of the increase in mixed fruit production was in packs of fruit cocktail and fruit salad.

Canned fruit exports are expected to remain high during the 1968 season. Although efforts will be made to place large quantities in the European market, increasing importance is being placed on the Canadian market.

AUSTRALIAN CANNED FRUIT PRODUCTION [1]

Item	Average 1962-66	1966	1967	Preliminary 1968
	1,000 cases	*1,000 cases*	*1,000 cases*	*1,000 cases*
Apricots	717	663	1,054	700
Peaches	3,761	4,565	5,038	5,000
Pears	2,941	3,384	2,797	3,500
Mixed Fruits	723	1,220	1,406	1,600
Total	8,142	9,832	10,295	10,800

[1] 24 size 2½ cans.

AUSTRALIAN MINIMUM GROWER PRICES FOR CANNING QUALITY FRUIT [1]

Item	Average 1962-66	1966	1967	1968
	U.S. dol. per ton	*U.S. dol. per ton*	*U.S. dol. per ton*	*U.S. dol. per ton*
Apricots	91	100	106	100
Peaches				
Cling, clear center	90	97	97	97
Cling, other	86	93	93	93
Freestone	62	68	68	68
Pears, Bartlett	88	95	97	97

[1] Delivered to either the grower's railroad siding or to the cannery door.

AUSTRALIAN CANNED PEACH SUPPLY AND DISTRIBUTION [1]

Item	Average 1962-66	1966	Revised 1967	Forecast 1968
	1,000 cases	*1,000 cases*	*1,000 cases*	*1,000 cases*
Beginning stocks (Jan. 1)	.4	.8	1.0	.8
Production	3.8	4.6	5.0	5.0
Total supply	4.2	5.4	6.0	5.8
Exports	2.2	2.9	3.7	3.5
Domestic disappearance	1.4	1.5	1.5	1.5
Ending stocks (Dec. 31)	.6	1.0	.8	.8
Total distribution	4.2	5.4	6.0	5.8

[1] 24 size 2½ cans.

Weekly Report on Rotterdam Grain Prices

Between April 10 and April 17, 1968, offer prices of wheat in Rotterdam declined. U.S. Spring was down 5 cents and U.S. Soft Red Winter 4 cents. Canadian Manitoba and Argentine wheat prices declined 1 cent; U.S. 12 percent was not quoted.

South African corn prices increased 4 cents, while U.S. corn dropped 3 cents and Argentine corn dropped 2 cents.

A listing of the prices follows.

Item	April 17	April 10	A year ago
	Dol. per bu.	*Dol. per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	2.02	2.03	2.18
USSR 121	1.92	1.92	(1)
U.S. No. 2 Dark Northern Spring, 14 percent	1.88	1.93	2.08
U.S. No. 2 Hard Winter, 12 percent	(1)	(1)	1.94
Argentine	1.89	1.90	1.98
U.S. No. 2 Soft Red Winter	1.62	1.66	1.89
Corn:			
U.S. No. 3 Yellow	1.31	1.34	1.55
Argentine Plate	1.44	1.46	1.56
South African White	1.48	1.44	1.58

[1] Not quoted.

Note: All quotes c.i.f. Rotterdam and for 30- to 60-day delivery.

Record World Barley, Oats Production

World production of barley and oats in 1967 totaled a record 151 million metric tons, 3 percent over the 147 million-ton level of 1966.

The 1967 world barley crop is estimated at 106.3 million tons, 5 percent over the previous year's high, as total acreage increased 3 percent.

The West European crop gained 13 percent over 1966 as most countries in the area set new production records. France produced 9.7 million tons, up 31 percent; the United Kingdom 9.4 million, up 8 percent; West Germany 4.7 million, up 22 percent; and Denmark 4.4 million, up 5 percent. The U.S. barley crop was off 6 percent at 8.1 million tons, while Canada harvested 5.4 million, down 17 percent.

World oats production in 1967 is estimated at 44.3 million tons, 3 percent below that of 1966. Oats acreage declined 4 percent.

The U.S. crop, at 11.3 million tons, was down 2 percent

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and Canada's, at 4.7 million, was 19 percent lower. West European oat production rose 13 percent to 12.9 million tons, counter to a long downtrend. The East European crop, at 5.3 million tons, was up 8 percent, with Poland and Czechoslovakia having the principal gains.

Detailed tables and analyses will appear in the April *World Agricultural Production and Trade Statistical Report.*

Peru's 1968 Pima Cotton Crop Down Sharply

Production of the Pima cotton in the Piura area of northern Peru may fall as low as 85,000 bales (480 lb. net.) in 1968, down sharply from around 140,000 in 1967. A severe drought has hindered cotton planting throughout the Piura area, and this has resulted in a significant reduction in acreage. Pima variety accounts for most of the extra-long staple cotton production in Peru.

The Peruvian government announced in late March that cotton exports are exempt from the 10 percent advance profit tax.

Japan's Honey Imports Set Record

Japan's honey imports reached a new high of 31.7 million pounds in calendar year 1967, a rise of 32 percent over 1966 with Mainland China still the chief supplier.

Argentina was the second largest source in 1967, followed by Hungary, Romania, and the United States.

Japan's honey imports have increased steadily since import regulations were liberalized in 1963. Production, meanwhile, has decreased (apparently because of declining floral source acreage) and now accounts for only one-fourth of domestic honey consumption in Japan.

Another factor in the growing honey market is the increasing use of toast for breakfast in Japan. The demand for honey and other spreads is likely to continue expanding and should offer a good opportunity for U.S. honey exporters to increase their share of a growing market.

IMPORTS OF HONEY INTO JAPAN, 1967

Country of origin	Quantity	Unit value [1]	Value	Share of total
	1,000 pounds	*U.S. cents per pound*	*1,000 dollars*	*Percent*
Mainland China	17,611	11.2	1,972	47.3
Argentina	7,508	12.9	970	23.3
Hungary	2,708	17.8	483	11.6
Romania	1,471	17.7	260	6.2
United States	697	21.1	147	3.5
Other	1,660	20.2	336	8.1
Total	31,655	13.2	4,168	100.0

[1] Reflects average price of all types of honey imported from a particular country.

Brazil Prices Menthol, Peppermint Oil

The Brazilian Government has announced minimum export prices of U.S. $3.60 per pound for crystallized menthol and $1.04 per pound for peppermint oil. The new prices went into effect on March 13, 1968.

Brazil's 1967 exports of crystallized menthol totaled 1,282 metric tons, valued at $10.3 million (f.o.b.), compared with 873 metric tons, valued at $8.6 million exported during 1966. Brazil is the major import source of this product for the United States.

Brazil's exports of peppermint oil were also higher in 1967. The total for 1967 was 1,373 metric tons, valued at $3.3 million, while in 1966 the total was 788 metric tons valued at $2.8 million.

Mozambique's Tobacco Crop Forecast

Mozambique's 1967-68 tobacco crop is likely to total about 7.1 million pounds, 18 percent larger than the 1966-67 harvest. Flue-cured may reach 5.5 million pounds this season, and burley 1.1 million. The remainder will be fire-cured. In 1966-67, flue cured production was 5.5 million pounds, burley 900,000, and fire-cured 200,000.

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